

NAME OF SHIPPING COMPANY SUSTAINABILITY REPORT 2022

The long-term stability of a shipping company requires good financial management together with an increasing focus on the non-financial issues of protecting the environment (E), performing the business in a socially responsible manner (S) and ensuring that company governance satisfies all national, international and ethical regulations and expectations (G).

This report demonstrates our commitment to sound ESG activities to give all our stakeholders confidence in our strategy.

COMPANY LOGO

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- Board's commitment to sustainability and the content of this report.
- Recognition of the external factors required for sustainability – markets, trade volumes, finance, regulatory compliance, social pressures and political stability.
- Recognition of the internal requirements to satisfy ESG expectations – emission controls and reporting, policy implementation, social care and equality and sound governance from the Board down.
- Current strategic approach to technology investment, operational efficiency and all aspects of running a socially responsible business.
- Recognition of the transitional and functional risks of moving to a low carbon economy.
- Partnerships and trade body participation to achieve a better industry.
- Conclusion and commitment to the future.

- **ESTABLISHMENT AND BROAD STRATEGY**
- **OUR FLEET**
- **OUR VALUES**
- **THE PART WE PLAY IN THE GLOBAL SUPPLY CHAIN OR NATIONAL LOGISTICS**
- **OUR EMPLOYEES**
- **OUR CUSTOMERS / CLIENTS**
- **OUR VISION STATEMENT**
- **KEY CORPORATE METRICS TABLE TO DESCRIBE THE COMPANY (SET THE SCENE)**
 - Fleet
 - Crew and onshore workforce showing diversity of gender and nationality
 - Cargo carried (last year +1)
 - Port visits
 - Safety statistics
 - Global locations
 - Emission statistics
 - Fleet miles (last year +1)

A. ENVIRONMENTAL (CLIMATE CHANGE, ENERGY DEMAND, FOOD AND GOODS SUPPLY ETC.)

- a. General introduction (carbon dioxide, sulphur oxides, nitrogen oxides, particulate matter)
- b. International Maritime Organisation, regional and national requirements and expectations
- c. Industry and competitor expectations
- d. Stakeholder expectation / requirements
- e. Fuel options and implications
- f. Ocean protection and waste management including plastics
- g. Operational optimisation including energy management and speed options

B. SOCIAL

- a. Health and safety
- b. Equality and diversity
- c. Modern slavery
- d. Equal opportunity
- e. Bribery and corruption
- f. Ship recycling
- g. Community engagement
- h. Through life employment support and development

C. GOVERNANCE (INCLUDING SANCTIONS AND AUDITING)

- a. Corporate and tax structures
- b. Shareholder rights and insider trading protection (if applicable)
- c. Board controls
- d. Control of third party suppliers / contractors and partners
- e. Internal and external auditing
- f. Sanction controls
- g. Risk management
- h. Financial, benefits and compensation
- i. Financial and non-financial metric visibility

D. INVESTMENT AND BANKING

- a. Poseidon Principles' requirements if applicable
- b. Public market requirements
- c. Sustainable investing

E. MATERIALITY ASSESSMENT

- a. Methodology for assessing and managing the effectiveness and financial significance of ESG strategy

COMPANY'S FRAMEWORK TO CAPTURE ESG / SUSTAINABILITY REQUIREMENTS

6

A. UN GLOBAL COMPACT

- a. 10 Principles and references within the report

B. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

- a. Applicable goals and references within the report

C. STAKEHOLDER REQUIREMENTS

- a. Charterers
- b. Banks (Poseidon Principles)
- c. Suppliers
- d. Insurers
- e. Investors
- f. Partners (members)
- g. Employees (shore and sea staff)

D. REGIONAL (EG EU) OR NATIONAL REPORTING DIRECTIVES

E. SCENARIO PLANNING

F. CHOICE OF REPORTING STANDARDS

- a. Sustainability Accounting Standards Board
- b. Global Reporting Initiative
- c. Independent

G. SUSTAINABILITY STRATEGY

H. COMPANY SUSTAINABILITY IMPLEMENTATION PLAN AND CONTROL

I. EMPLOYEE PARTICIPATION

A. DEFINITION AND STRATEGY ON SELECTED KPI

B. BASELINE KPI PERFORMANCE

C. EXAMPLES:

(AS PER SASB RECOMMENDED MATERIALITY INDEX FOR MARINE TRANSPORTATION)

- a. Greenhouse gas emissions including methane, nitrogen oxide and black carbon
- b. Air quality - sulphur oxides, nitrogen oxides
- c. Ship efficiency index – fleet average (Estimated Index Value, Energy Efficiency Design Index, Energy Efficiency Operational Indicator)
- d. Office electricity, water and gas consumption
- e. Ecological impact – plastic sent ashore
- f. Data security – General Data Protection Regulation, virus attempts, phishing emails
- g. Stakeholder engagement – as listed on page 6 C
- h. Employee health and safety
- i. Employee engagement / diversity – number, male / female, nationalities, board composition
- j. Business ethics – training on code of practice, staff reporting, whistleblowers' reports

D. FIVE YEAR ROADMAP AND FUTURE KPI TARGETS

A. SOCIAL

- a. Safety management
- b. Mental health
- c. Welfare activities
- d. People development
- e. Reward strategy
- f. Seafarer investment
- g. Career development and training
- h. Modern slavery
- i. Zero anti-bribery & corruption tolerance
- j. Community programmes and social giving

B. ENVIRONMENTAL

- a. Through life management
- b. New building specification
- c. Vessel operations
- d. Recycling
- e. Onshore / office initiatives and processes

C. GOVERNANCE

- a. Leadership development and training
- b. Values
- c. Company registrations
- d. Committee structure
- e. Tax structure and audit arrangements
- f. Board of directors and committee structure
- g. Compliance with environmental and social laws
- h. Stakeholder engagement
- i. Strategic governance
- j. Risk management methodology and processes

D. CYBER PROTECTION

- a. Hardware, software and information security processes

E. PARTNERSHIPS AND AFFILIATIONS

F. ACHIEVEMENTS AND AWARDS

A. PEOPLE

B. SHIPS AND OFFICES

C. MANAGEMENT PROCESSES

D. BOARD GOVERNANCE

GLOSSARY OF TERMS

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